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PBS fights back
See Magazine

Advertising Age

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IAA MEET HEARS OF WOES

Latin America hardest hit by ad slowdown

By DENNIS CHASE
and LAUREL WENTZ

SAO PAULO—There will be a slowdown in the growth of advertising billings generated outside the U.S. this year, but one of the severest dips will occur in Latin America.

That is the consensus of advertising agency executives attending last week's International Advertising Assn.'s World Advertising Congress in Brazil. A general economic malaise caused by inflation and currency devaluations is being exaggerated by the worsening crisis in Argentina because of the battle with the United Kingdom over the Falkland Islands, according to sources.

In addition to Argentina's problems, a Mexican market hit by price controls and a huge devaluation and a massive drop in the Chilean market have caused ad agencies to revise their Latin American billings projections downward.

"Frankly, we're now beginning to look at our projections for Latin America," says Edward Ney, chairman of Young & Rubicam. "It's not that big a problem for us because we haven't been in some of these countries that long. But it is very important because we are now trying to establish ourselves there."

The main trouble spot is Argentina, where many agencies are expecting a 40% to 60% drop in billings this year compared with earlier estimates. Several Argentine agency execs scheduled to appear at the IAA meeting never showed up.

"They obviously had other things on their minds," said Federico Ortiz, president of Ortiz, Scopesi & Cia, the second-largest agency in Argentina, affiliated with Ogilvy & Mather. However, another agency official said, "They're all trying to save their businesses."

McCann-Erickson S.A. in Buenos Aires, with $7 million in billings last year, had estimated this year's billings around $10 million. However, according to agency head Jorge Gondolfo, those estimates have

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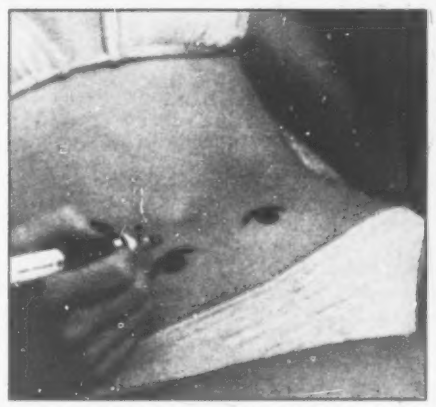
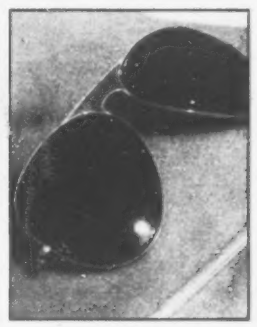
Nestle executive warns advertisers of today's "sensitized consumer"; other IAA coverage, see Page 39.





Tummy test

Ray-Ban sunglasses "bans rays" is the message of a new commercial for the brand from Jordan, Case & McGrath, New York. Spot warns that ultraviolet rays can burn the surface of the eyes. The Bausch & Lomb brand uses a "second pair of eyes" drawn on a sunbather's stomach to show how protective the product is.

P&G tests Banner tissue, Ariel detergent gets try

By JENNIFER ALTER

Although it maintains a solid hold on the leadership position in the $1.9 billion toilet tissue category, Procter & Gamble Co. is entering the value end of the market with a moderately priced brand called Banner.

To be tested in parts of Georgia and North and South Carolina beginning in early June, Banner is priced 12% above Summit, the unadvertised brand P&G launched through mass-merchandise outlets last summer (AA, March 23, '81).

Almost concurrently, the company is introducing in this country a version of a hot overseas brand—Ariel, a concentrated, low sudsing granular laundry detergent, which will test in Colorado, Wyoming and small parts of Nebraska, South Dakota, Utah and New Mexico.

While the company claims that Banner is not a response to generic and low-price brands, now said to hold 22% of the toilet paper category, its arrival gives P&G an entry into the value segment, which clearly is increasing in importance. It also is thought by some to be a statement about the success of Summit and its positioning, the latter a clear departure from the company's traditional marketing methods.

"What they're doing now with Banner would indicate they're not entirely satisfied with Summit," commented George Adler, of Smith Barney, Harris Upham.

As opposed to Summit, which is of lower quality than P&G's Charmin and White Cloud, Banner is said to provide "superior softness." Single ply, in rolls of 400, it has sac-

(Continued on Page 38)

Stroh's Fridholm to take over upon merger

Top 2 Schlitz execs to exit

By ROBERT REED

The two top-level Jos. Schlitz Brewing execs, Frank Sellinger and Daniel McKeithan, will leave the company upon its merger with Stroh Brewery, and recently named Stroh president Roger Fridholm will be named to head the Schlitz subsidiary.

The departures of the key Schlitz officers fuel industry speculation that Stroh will eventually move all of the former's headquarter operations to its Detroit office, leaving, at best, a skeleton operation in the beer city of Milwaukee, say industry sources.

Mr. Sellinger, vice-chairman, president and chief executive officer, and Mr. McKeithan, chairman, are expected officially to announce their resignations before the Schlitz stockholders' June 10 meeting, when the merger will be approved. Mr. Fridholm is expected to be named as president at the same time, industry sources told ADVERTISING AGE.

Officials of Stroh have been in Milwaukee talking with Schlitz employes and already have made known their intent to keep the bulk of its marketing staff and strategies intact.

It has yet to be determined if Anthony Amendola, Schlitz exec vp-marketing, will remain with the new No. 3 brewer. That decision will be based on the range of responsibilities the Stroh hierarchy gives Mr. Amendola, say sources. Stroh, which is in need of marketing expertise, is said to be anxious at keeping the veteran beer exec.

In addition, Stroh officers have recently made overtures to the brand managers of Schlitz, Schlitz Light and Old Milwaukee/Old Milwaukee Light, sources say. It has yet to be determined what members of the Erlanger brand staff will be asked to stay. Stroh had

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last minute news

Lever's $30 million spot buying to BBDO, O&M

NEW YORK—Lever Bros. is moving its tv spot buying activity out of J. Walter Thompson Co., as expected (AA, May 10). The business, billing about $30 million, is to be split effective Oct. 1 between Lever agencies BBDO and Ogilvy & Mather. In dollar terms, the loss amounts to $500,000 in income, JWT said. It's the first client defection since the agency discovered tv syndication "accounting irregularities" last winter.

McMillan quits McGraw-Hill in power struggle

NEW YORK—Daniel A. McMillan III, exec vp, McGraw-Hill Publications, has resigned. Insiders say the resignation is related to a fierce internal battle over a successor to retiring *Business Week* publisher Bernie Alexander, and that Mr. McMillan's candidates were turned down. He and M-H deny the departure was related to the impending selection.

Lorillard to debut Satin, mulls Newport 10 pack

NEW YORK—Lorillard will introduce Satin low-tar regular and menthol cigarets, featuring a "satin tip," in Denver and Milwaukee June 3 via MCA. It also is said to be planning a test of a 10-cigaret Newport pack.

Sherman leaving JWT for WRG/East presidency

NEW YORK—Ronald Sherman, exec vp of JWT Co. and entertainment division president, has been named president of Wells, Rich, Greene/East,

(Continued on Page 8)

Scripto to ignite new lighter fight with Ultra Lite

By JOHN J. O'CONNOR

A hungry Scripto Inc. this September will carry the fight to Bic and Gillette with a new parity-price disposable lighter and a $2 million-plus campaign—the first major advertising push in the category in several years.

The Atlanta-based marketer's new Ultra Lite is a sleek, fashionable lighter in four styles, whose objective is to cut deeply into the shares of market leader Bic and No. 2-selling Cricket from Gillette. Scripto's existing entries, Mighty Match and Star Lights brands, occupy third place with a combined 18% share, compared with Bic's 50% share and Cricket's 25% share. Gillette, however, claims Cricket's share is more like 35%.

The category this year is expected to generate retail sales of $230 million, a volume roughly 12% higher than 1981. According to industry estimates, unit sales are expected to hit 400 million this year, up 10% from 1981.

Scripto president-chief executive officer K. Douglas Martin, formerly of Gillette's Paper Mate division, appears to be emulating the tack that Bic took when it mangled Cricket with a lower-pricing strategy coupled with a $20 million ad outlay between 1974-77. With Bic and Gillette continuing to keep lighter pricing at inexpensive levels (30¢ to 47¢ per unit to the trade), Cricket's ad budget has dropped to zero, while Bic's "Flick your Bic" spending plummeted to $206,000 in 1981, according to Leading National Advertisers.

The company's "production and competitive marketing flexibility," as Mr. Martin puts it, stems from the planned opening this summer of a

(Continued on Page 34)

ELECTRONIC MEDIA EDITION

Advertising Age

'EME' starts weekly schedule

CHICAGO—The new *Electronic Media Edition* of ADVERTISING AGE begins its regular weekly publication schedule with an issue dated Thursday, June 10, featuring a special report on teletext-videotex.

The premiere issue of this separate publication was published May 3, timed for introduction at the National Cable Television Assn. annual convention in Las Vegas.

The new publication will carry comprehensive news and analysis from the full range of the electronic media industry, including commercial tv, cable, radio, syndication, home video and other areas. Its editorial content will concentrate solely on electronic media. It will utilize the resources of the national and international newsgathering staffs of AD AGE and Crain Communications Inc., publisher of AA and 18 other business newspapers, magazines and newsletters.

The initial weekly issue will carry the first installment of a two-part series presenting an in-depth look at the exploding world of teletext and videotex. This report will include background on the two fields, agency and advertiser reaction to them and profiles summarizing the most significant corporate activities in these areas.

Subscriptions to the *Electronic Media Edition* are available at $10 a year. The publication is not sold as part of a regular ADVERTISING AGE subscription.#

High-tech home center set

By JANET NEIMAN

CHICAGO—Dart & Kraft's expertise in consumer products will be tested in the high-technology electronics industry beginning next week, when the company's new Anova Electronics division officially introduces its new Anova Master System at the Consumer Electronics Show here.

A "home environment system" made up of three units—a telephone center, control center and protection center—that can be integrated or used individually, Anova Master System is designed to serve as everything from a telephone to an electrical switch to a fire alarm.

Anova will debut in a wide-open consumer market for high-technology home control products. Though notable competitors exist for each individual unit (Panasonic in the telephone and message center concept, BSR for control centers and Universal Securities Instruments in home protection devices), the company says Anova is unique in its integration of all three functions.

Anova's telephone center combines the features of an answering machine with seven programable

(Continued on Page 34)

Airline competitiveness eyed by Justice

By KIMBERLY PALMER and TOM BAYER

DALLAS—The cacophony of controversy over the airline industry's automated reservations systems apparently was a familiar tune to the U.S. Justice Department.

Justice officials last week revealed a month-old civil investigation into competitive practices among the nation's airlines, and few industry observers appeared surprised. The far-reaching investigation was seen by many as a logical step following recent claims and counterclaims—specifically between bankrupt Braniff International and American Airlines—regarding possible abuses of airline computerized reservations systems (AA, May 24).

"We may have come full circle here," said William Jackman, spokesman for the Air Transport Assn., the umbrella group for the air carriers.

He was referring to the fact that, as the need for an efficient way to handle increasing passenger volume had emerged in the early 1970s, the airline industry proposed an independently operated reservations system to serve all carriers, but the plan was grounded by the Justice Department. It had balked because of antitrust implications; disagreement that arose among suppliers and carriers also contributed.

Now, almost four years after deregulation removed the tie-down, airline automated reservations systems once again are being scrutinized by the Justice Department.

The much-publicized complaints Braniff has lodged against American's SABRE reservations system, and American's staunch denials of wrongdoing, go well beyond claims and counterclaims traded between two competing carriers, one of which is now protected by the courts under Chapter 11 of the federal bankruptcy laws.

While the Civil Aeronautics Board is investigating the "dirty tricks" complaints Braniff filed against American and while the Justice Department's criminal investigation into the matter still is being conducted through a federal grand jury in Fort Worth, the newly revealed civil probe is a review of the whole industry's behavior.

How the airlines chose to compete, and how they communicate with each other from the clerical to corporate levels, appears to be the gamut of the Justice Department inquiry, which industry observers say should also define the fuzzy.

(Continued on Page 34)

highlights

Monday, May 31, 1982

Taking a cue from NBC-TV, CBS-TV affiliates will be carrying more evening news network commercials as well as more prime time spots. *See Page 6.*

Despite an upbeat session, several things put CBS-TV on the defensive at its affiliates meeting. *See Page 6.*

Burger King's new chief executive officer, Norman Brinker, is eager to improve the chain's business—from the sizing and pricing to the presentation. *See Page 12.*

K mart will maintain its price-conscious image despite a drop in first quarter profits. *See Page 12.*

Shulton prepares for the June introduction of Lady's Choice deodorant. *See Page 33.*

House & Garden is turning itself into an entirely new product. *See Page 35.*

CORPORATE CLOSEUP

Things may be changing at E.E. Dickinson Co., marketer of venerable Dickinson's witch hazel. *See Page 4.*

VIDEOTECH

ABC is discussing a joint venture with Brazil's major television network. *See Page 24.*

MAGAZINE

Commercials aired on PBS? Public broadcasting is changing in the face of funding cuts and cable competition. *See M-2.*

Losing a big account need not mean the end of the road, says Richard Bonsib, chairman of a small agency—if you pay attention to the details and reorganize carefully. *See M-33.*

Irresistably memorable names for brands stand out in the bewildering forest of names and claims. In Tyler's Ten, William Tyler discusses this concept of "Nameonics" as well as his picks for the top 10 print ads of the month. *See M-34.*

SPECIAL REPORT

This week's Special Report covers marketers and advertisers in the City of Brotherly Love, where Philadelphians are mounting a national advertising and pr campaign to celebrate the city's 300th birthday. *See M-7.*

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Demonstration

"Pop it, squeeze it, shake it"—instructions for making a Tecate drink by popping the top, squeezing in a lime and sprinkling in salt—get new interpretation in these scenes from a new spot from Cibco Importing, Houston, via Bloom Agency.

PBS finds itself in a rapidly changing game . . .

. . . including funding cuts, cable competition and commercials

By B.G. Yovovich

Advertising executive Peter Mayer's son, a law student, was shocked by what had just appeared on his television screen.

"Dad, you won't believe this," shouted the incredulous young man to his father, who was busy in another room. "I just saw an ad on WYES," the noncommercial public television station in New Orleans.

The older Mr. Mayer smiled, "I know, we placed it."

"But . . . but that's against the law," said the perplexed law student.

Au contraire.

Not only was the ad legal, but it was just the beginning of a nine-city, 18-month public television experiment mandated by Congress. And the young Mr. Mayer and other patrons of noncommercial television had best brace themselves: The opening of public television to commercials is likely to be just the first of a slew of changes as the institution enters the most critical period in its history.

There is plenty of evidence of crisis and turmoil. The Reagan Administration's proposal to cut direct federal funding of the Public Broadcasting Service by one-third, for example, helped spur the advertising experiment and is prompting public television officials to explore alternate sources of funding (see accompanying article) and to reexamine their budgetary priorities.

Public television also has begun to lose some of its most prominent personalities to its commercial competition. Longtime public television mainstay Bill Moyers moved to CBS last year. Gene Siskel and Roger Ebert, cohosts of PBS's top-rated half-hour show, "Sneak Previews," jumped to WGN Continental Productions, Chicago, last month, and "Wall Street Week" host Louis Rukeyser reports receiving numerous commercial tv offers.

And perhaps most ominous for public television is the looming competition from cable tv, particularly from various culture and entertainment channels that have been launched in the last couple of years. Though cable's lack of penetration into many of the nation's largest markets has minimized the impact of such services so far, even the most cursory examination of their offerings shows they ultimately pose a threat to public broadcasters.

This September, for example, CBS Cable will begin airing "A Walk Through the 20th Century," 20 one-hour programs, with Bill Moyers, that will explore the events of this century—precisely the kind of program that would have been a highlight of any PBS season.

So would some of the programing on Hearst/ABC's ARTS cable channel. Programs there include talk shows hosted by Calvin Trilling and Studs Terkel; original productions of plays by David Mamet, Frank South and David Rabe, and performances by Isaac Stern, Placido Domingo, Rudolf Nureyev and the Alvin Ailey American Dance Theatre.

And RCTV's Entertainment Channel now owns first rights to all BBC programing produced since January, 1981—again, the kinds of productions that have been PBS staples.

As ancient Chinese sages noted long ago, however, crises may be fraught with danger, but they contain the seeds of opportunity as well. At the same time that cable programing has fostered new threats to public television, cable and other video technologies are opening up new opportunities as well. One strong possibility: A pay, premium PBS Cable channel that would go head to head with some of the recent commercial entrants. Another project in the works: A PBS video club that would market videocassettes and videodiscs under the PBS label to its members.

There is at least one further twist to today's complicated public television scenario. At the same time that budgets are being threatened and danger looms all around, the nation's public broadcasters have been attracting record-breaking audiences and posting the highest ratings in their history.

During the week of Jan. 11 to 17 this last winter, the following news cheered the folks at PBS:

- A "National Geographic Special" on sharks was seen in 17.4% of all U.S. households, the highest cumulative rating of all time for a PBS program.
- The week's episode of the "Life on Earth" series posted a 10.7 cume, making it the highest rated weekly series ever to appear on PBS.
- The 7.5 rating recorded by "Sneak Preview" was the highest cume rating for a half-hour PBS series or special.
- The Flame Trees of Thika episode reached 7.5% of the nation's households, the highest rating on record for a "Masterpiece Theatre" presentation.
- "Wall Street Week," "American Playhouse," "Matinee at the Bijou" and the "Mark Russell Special" all set records for their respective programs.

All together, public television's prime time cumulative audience increased 17% over January, 1981, reaching a cumulative rating of 38% (or 31 million U.S. households) for the week. The total (full day) cumulative audience for the week hit 56.8%, or 46.3 million homes. Both represent the highest such figures in PBS history.

Several factors have come together in recent years to help make such ratings possible, not the least of which was a five-year appropriation passed by Congress in 1975 that increased federal funding for public television from $62 million in 1975 to $160 million in 1980. It wasn't only the size of the appropriation, but the duration as well, that was important. "It meant we could develop programing that required a two to three-year lead time, where previously we could plan only one year ahead," recalls Michael E. Hobbs, PBS senior vp.

The 1975 legislation that brought the funds also provided PBS with three satellite channels to interconnect local public tv stations and make program distribution easier and less expensive. By 1979, public television was armed with the new satellite interconnect system and with highly promotable programs like Carl Sagan's "Cosmos." The local stations decided it was time to band together and do a better job of coordinating their operations.

The first step was the establishment of a common PBS schedule for two hours on each evening Sunday through Wednesday —unprecedented cooperation for the fiercely independent stations.

"This brought a consistency to our scheduling," says Dan Agan, director of marketing with PBS. "No matter where they might be, our audience would know that 'Nova,' for example, would be on Sunday night.

"It also permitted PBS to take a more aggressive position with regard to advertising itself."

With the core programs aired at the same times and dates throughout the system, nationally coordinated advertising campaigns and more aggressive use of on-air promotion became possible. As a result, PBS and its member stations have spent more than $8 million since the major advertising and promotion push began in 1979, including more than $2.5 million for ads in *TV Guide*.

The new common core schedule also persuaded a number of program underwriters to offer additional promotional support, such as ads in *TV Guide*, newspaper television sections and national publications like *The New Yorker*.

Gulf Oil Co., for one, not only underwrites "National Geographic Specials" to the tune of $1.7 million a year, but it also spends $2.5 million each season on ads and promotion. Aided by such support, the specials are consistently the highest-rated shows on PBS, and have pulled nine of the 25 highest ratings in PBS history.

In fact, the combination of efforts among PBS, the underwriters and the local stations has had a striking effect on public tv viewership. Weekly full-day cumulative ratings are up nearly 48% since 1975, with more than half of U.S. tv households now tuning in to public television each week. Over the same seven-year period, weekly prime-time cumes are up a whopping 85%—a particularly impressive performance in light of the erosion that network ratings have suffered in recent years.

Though such audience growth in recent years has

Anthony Andrews (left) and Jeremy Irons starred in the British-made "Brideshead Revisited," one of PBS's most talked-about series this year.

Other fund sources

Commercials, pay cable, and videodisc sales are not the only new sources of funding being considered for public television. Other possibilities include:

- An excise tax levied on every television set sold in the U.S.
- Taxes to be imposed on commercial broadcasters specifically for the support of public television and radio.
- A national telethon patterned after the "Night of 100 Stars" that would be the culmination of local auction efforts.
- New tax laws that would provide tax credits for contributions to public television stations.
- A tax checkoff on federal and state tax returns similar to the Presidential campaign checkoff.
- Rental of unused Public Broadcasting Service satellite capacity and unused tv studios for tv program and commercial production and for video teleconferencing.

—*B.G.Y.*

B.G. Yovovich, a business writer in Chicago, contributes frequently to Magazine on a variety of marketing and media topics.

broadened public television's penetration into less affluent households, its viewership remains decidely upscale. Figures compiled last year show that each week public tv reaches 63% of U.S. households with annual incomes of more than $30,000 and 61% of households headed by individuals who are professionals, managers or who own their own businesses.

The demographics describing public television's more than 1 million subscribers are even more striking: Median household income is $43,000; 89% attended or graduated from college, and 59.6% are employed in professional/managerial occupations.

Such upscale demographics, of course, make public television audiences exceptionally attractive to advertisers and offer hope that commercials on public television will be able to command premium prices. Hence, the nine-station experiment to offer commercial time. As of mid-May, only WYES had run commercials, with most of the others scheduled to put them on the air shortly thereafter.

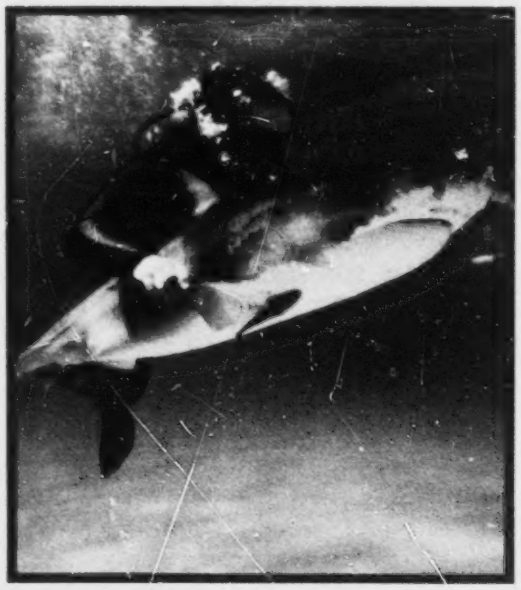
For the most part, each station sets its own policies—rates on WYES, for instance, are running at about $150 per spot—but they also follow system-wide guidelines (see accompanying article). The hope, of course, is to generate the revenue to replace funds that won't be coming in because of cutbacks and other assorted problems.

Yet, despite the prospect that commercials may generate the much-needed income, a large segment of the public television community has remained extremely cool to the idea, with Louisville's WKPC station already having pulled out of the advertising experiment after the station's board chairman resigned in protest.

"If public television goes commercial," says PBS president Lawrence Grossman, himself a staunch opponent of commercials on public television, "then it won't be public television."

Part of the reason for the deep-rooted resistance to commercials is the way many public television stations are set up. A sizable number of them are operated by universities or by nonprofit groups whose charters prohibit advertising, and there is widespread concern that commercials would destroy the special relationship that noncommercial stations have developed with their audiences—and especially with their dues-paying subscribers.

"There also are logistical problems that limit how much advertising we can sell," points out Mr. Agan, the PBS marketing director. "Our half-hour programs run 28 minutes and 50 seconds, our hour programs run



The "National Geographic Special" on sharks, which ran in January, drew a record PBS audience (see chart above).

58 minutes and 50 seconds, and that doesn't leave a lot of time for commercials, even if we eliminate all of our on-air promotions.

"The only study so far suggests that even if all the available spots on all the available stations were sold at premium prices, it would only generate $90 million—and this does not take into account selling costs." Those include the costs connected with the establishment of ad sales staffs and the purchase of necessary additional broadcast equipment.

Adds Mr. Grossman, "I haven't seen any studies that project that we won't actually lose money if we take advertising."

All time top rated PBS evening programs

Ranked by total or cumulative audience*

Rank	Title	Date	Hours	Total or Cume Aud.
1.	National Geographic Special: The Sharks	1/82	1	17.4%
2.	National Geographic Special: The Incredible Machine	10/75	1	16.0%
3.	Live from the Grand Ole Opry	3/79	7	14.6
4.	Live from the Grand Ole Opry	3/80	6	14.2
5.	Death of a Princess	5/80	2	13.8
6.	The Scarlet Letter	4/79	4	13.7
7.	Making M*A*S*H	1/81	1½	12.4
8.	National Geographic Special: Etosha, Place of Dry Water	1/81	1	12.1
9.	National Geographic Special: The Living Sands of Namib	3/78	1	11.7
10.	The Fifties: Moments to Remember	3/81	3	11.2
11.	National Geographic: The Great Whales	2/78	1	10.8
12.	Life on Earth: The Infinite Variety	1/82	1	10.7
13.	National Geographic Special: Mysteries of the Mind	2/80	1	10.4
14.	National Geographic Special: Dive to the Edge of Creation	1/80	1	10.1
15.	National Geographic Special: The Legacy of L.S.B. Leakey	1/78	1	10.0
16.	Live from the Grand Ole Opry	3/78	3	9.9
17.	NOVA: Anatomy of a Volcano	2/81	1	9.7
18.	Cosmos	10/80	1	9.5
19.	Life on Earth	2/82	1	9.4
20.	Cosmos	12/80	1	9.2
21.	Something Spectacular with Steve Allen	3/81	3	9.1
22.	Live from the Grand Ole Opry	3/81	7	9.0
23.	Cosmos (R)	10/81	1	8.8
24.	National Geographic Special: The Volga	3/77	1½	8.6
25.	The Lathe of Heaven	1/80	3	8.5

*Total and cumulative audience are defined as the percentage of U.S. TV homes viewing at least six minutes of the program

Note: PBS only receives ratings for ten weeks out of the year. The above rankings are for those programs for which we have ratings as of February 1982.

Sources: Nielsen Television Index, Public Broadcasting Service

Where PBS officials appear to be more hopeful is in their thoughts about the possibilities of a PBS-operated pay cable service.

"Our research and the research of others suggests that the audience for a [pay] PBS Cable is larger than you or I would believe," says Michael Soper, PBS's director of marketing projects and project director with PBS Cable. "The market is there." According to PBS market research studies, as many as 20 million American families are regular viewers of cultural programing on public television, and as many as 5 million of those households would be "likely subscribers" to PBS Cable at $12 per month.

Such an endeavor is particularly attractive to public broadcasters. Instead of forcing PBS to develop an entire new set of skills connected with ad sales, the pay cable operation would be able to take advantage of two already existing public television strong points: (1) the fund-raising and membership recruitment expertise public broadcasters have developed and (2) the well established and close ties that PBS has with the nation's major cultural institutions and, through the local stations, with arts and performing groups around the country.

The local nature of cable systems would also enable local public broadcast operations to play a role in the pay channel, perhaps providing some local programing to supplement the national feed. Moreover, such a service could be integrated relatively easily into traditional PBS broadcast operations, with the pay channel serving as a program feeder.

According to Mr. Soper, the major barrier to implementation of such a pay cable service is that "there are too few addressable homes"—that is, not enough potential customers of the PBS Cable service whose homes are wired via cable systems with a pay capacity. "It could be another couple of years before the timing is right."

Despite the advantages outlined by proponents of PBS Cable, even the service's most ardent supporters concede that it is likely to face stiff opposition from other cultural services. In fact, some of the more pessimistic observers not only question heady predictions for the vitality of the PBS Cable concept, but express doubt that any of the high quality cultural channels—pay or advertiser-supported—can be commercially viable.

"All you have to do is look at the history of other media," says Mr. Grossman. "Look at radio. When you got 50 or 100 stations, the audiences became so diluted that no one could afford to produce quality programing. In my judgement, that's what has happened to [quality] magazines as well, and when television channels proliferate, program originality and quality are more likely to diminish than to improve."

The only solution, maintains Mr. Grossman, is continuation of subsidies for public television. "No orchestra, dance company, public library, museum or educational system could survive in the marketplace without public subsidy," says the PBS president. "It is totally unrealistic to expect that new technologies of distribution will eliminate the need for public funds." AA

Brace yourself, the ads are coming

It's a case of "so far, so good" at New Orleans' WYES, the first public tv station to air paid advertising.

Despite the fact that the station has been running commercials since the last week in March, the dreaded "negative viewer response" feared by many public broadcasters has been virtually nonexistent so far. The station has received only three letters of complaint. "We've had almost no reaction at all," adds Bob Wisehart, tv critic with the *New Orleans Times-Picayune*. "We've gotten no letters and heard almost no comments."

On the financial side, the news has been more tangible.

"We did about $10,000 in billings for the month of April," says Al Smith, president of Audubon Communications Corp., a media consulting company administering the ad sales program for WYES. "We made a profit the first month, we hope to gross $1.2 million by the end of the experiment and earn a profit of $800,000 for the station." On the average, each 30-second spot is costing advertisers about $150.

Should Mr. Smith's expectations be realized, the profits from the advertising would represent roughly 20% of this year's WYES budget.

The first commercial, a spot for New Orleans Business Machine Co., was placed on WYES because, "Public television delivers a sophisticated audience and I felt tht my client should be there," says Silvio Fernandez of Creative Marketing, the advertising agency that handles the account. "We've canceled all of our other tv buys for this account so that at the end of our 90-day schedule we'll be able to tell how effective the buy was."

In addition to the business machine commercial, WYES has run spots for a bank, insurance company, stock brokerage, jeweler, radio station, theater, real estate broker, car dealer and fast-food operation. All of these advertisers had previously run spots on commercial channels.

Not all of the public tv stations involved in the ad experiment will follow WYES's example and allow product advertising, but commercials on all of the stations will have to comply with minimum standards:

- Commercials will air in clusters lasting no more than two minutes and will not interrupt programs.
- Advertising must be sensitive to the tastes and interests of the audience.
- Advertising will respect the intelligence of the viewer.
- Standards of quality that apply to regular programing will also apply to advertising.
- Stations will reserve the sole right to accept or reject advertisements on the basis of quality or content.
- Stations will adhere to both the spirit and letter of the National Assn. of Broadcasters tv code.
- Stations will exercise particular caution in placement of advertising adjacent to programing for younger viewers.

Other stations participating in the experiment are WHYY, Philadelphia; WIPB, Muncie, Ind.; WNET, New York; WPBT, Miami; WQED, Pittsburgh; WQLN, Erie, Pa.; WSKG, Binghamton, N.Y., and WTTW, Chicago. At presstime, only WYES had put commercials on the air, although WPBT and WQLN were planning for a start by the end of May. Four stations—WHYY, WPIB, WQED and WTTW—have targeted June dates, while WNET is looking to September. WSKG has not established a firm date.

—*B.G.Y.*

Alcohol ads top $1 billion

By JOHN J. O'CONNOR

NEW YORK—Advertising of beer, distilled spirits and wine cracked the $1 billion mark for the first time in 1981, a 12% increase over the previous year's outlay.

The data, compiled by *Impact* with the cooperation of several expenditure tracking services, put beer in the lead with spending of $464.8 million, up 11% over 1980. Distilled spirits followed with an outlay of $377.1 million (+11%). Although last in spending, wine had the greatest percentage increase, 28%, as vintners poured $173 million into media.

The alcoholic beverage industry newsletter chalked up the robust increase in wine advertising to "sizable" prime time tv expenditures by major wine companies.

"The 8% gain in distilled spirits advertising," *Impact* noted, "is a sign that distilled spirits marketers are not going to take their stagnant sales performance lying down." At the same time, *Impact* questioned how distillers can maintain such spending levels when increases "erode existing profit margins."

Distilled spirits shipments were estimated at 455 million gals. last year, or the same as 1980. Wine shipments rose 6% to 505 million gals. Beer was up only 2% to 5.6 billion gals. shipped last year.

In terms of advertising per gallon shipped, distilled spirits was the undisputed category leader with 83¢ spent per gallon, up from 76¢ a year earlier. Wine advertising last year rose to 34¢ per gallon, up from 28¢ in 1980. Due to its enormous volume, beer spending per gallon was 8¢, the same as in 1980.

■ In terms of advertising by media, tv accounted for 44%, or $451 million, of total media dollars. Next came magazines with $252 million (25% share), followed by radio, $123 million (12%); newspapers, $102 million (10%); outdoor, $72 million (7%), and Sunday supplements, $15 million (1%).#

Alcoholic beverage industry's '81 ad spending
(millions of dollars)

MEDIUM	WINE	DISTILLED SPIRITS	BEER	TOTAL	1981 MEDIUM SHARES	1970 ADV. DOLLARS	1970 MEDIUM SHARES
Radio	$ 17.3	$ —	$105.9	$ 123.2	12%	$ 39.4	12%
Television	130.1	—	320.9	451.0	44	94.4	28
Magazine	11.5	222.2	17.9	251.6	25	99.1	30
Outdoor	0.9	62.3	9.0	72.2	7	35.0	10
Newspaper[1]	11.4	79.6	11.0	102.0	10	65.4	19
Newspaper Supps.	1.8	13.0	0.1	14.9	1	2.0	1
Total	$173.0	$377.1	$464.8	$1,014.9	100%	$335.3	100%

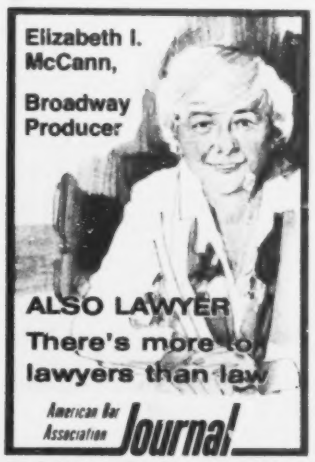
[1]Projected by IMPACT from top market and leadership brand expenditures.
Sources: LNA, PIB, MR, RER, IMPACT DATABANK and IMPACT estimates.

MICHAEL DONAHUE

BALTIMORE—Michael J. (Slim) Donahue, 90, an agency executive whose 70-year career included cofounding the old Donahue & Coe agency in New York, died here May 13 after a brief illness.

Mr. Donahue, who resided in Stoneleigh, Md., was born in Massena Springs, N.Y. He founded M.J. Donahue Co., New York, in the 1920s and later merged with Sayers Coe to form Donahue & Coe. The agency went on to pioneer in motion picture advertising and was credited with bringing "coming attractions" into theaters as a selling tool. In 1932, Donahue & Coe was sold to Edward J. Churchill, then an executive at the agency. Mr. Churchill retired in 1964, after the agency acquired Ellington & Co., and the remaining partners, Don West, Walter Weir and William Bartel (president of Ellington) changed the agency's name to West, Weir & Bartel. (WW&B effectively lasted until April, 1968, when it was acquired by MacManus, John & Adams).

Mr. Donahue, after selling his agency, moved to the Baltimore area and joined the Anchor Post Products company as advertising manager. He also continued to operate M.J. Donahue Advertising. He retired from Anchor Post in 1956 but continued to be active in his agency until a year ago. #



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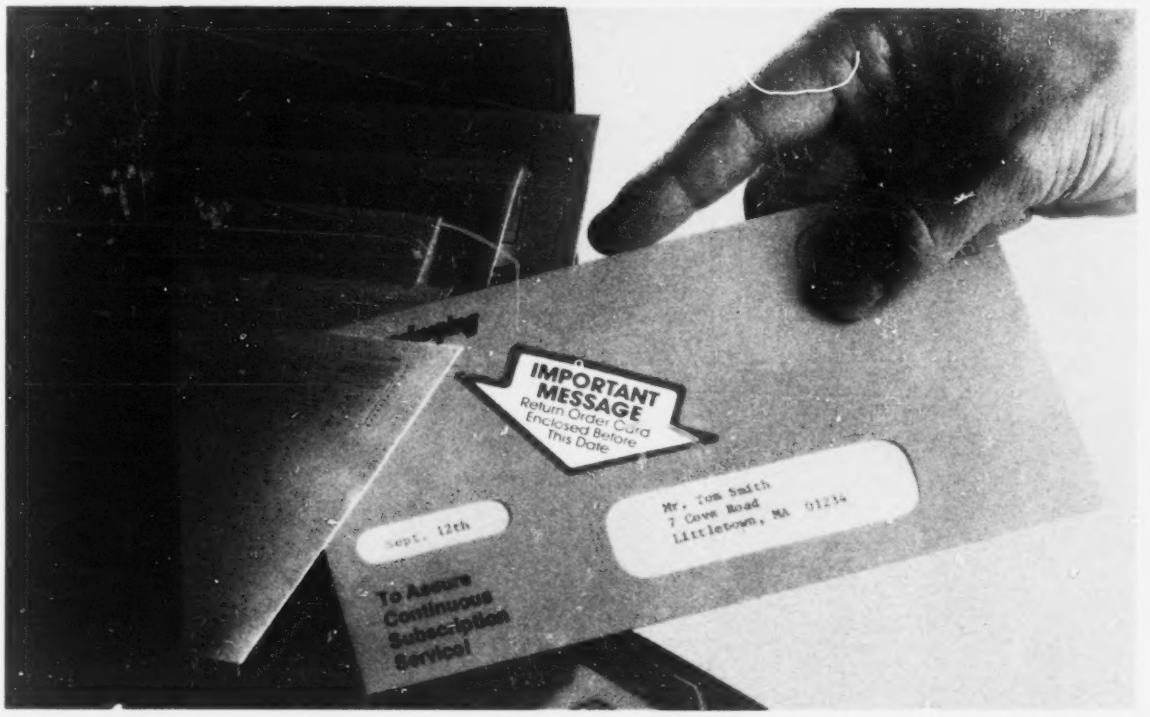

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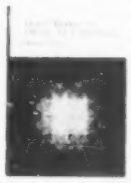

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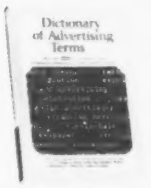

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Public shops up, down in quarter

By CHRISTY MARSHALL

NEW YORK—Publicly held agencies turned in record gains and losses during the 1982 first quarter as they adopted new accounting procedures, fell victim to devaluation or, in the case of JWT Group, increased operating costs as a result of relocating.

Interpublic Group of Cos. came in as the biggest gainer in net income, up an incredible 206%, as a result of changing its accounting procedures to conform to the Financial Standards Accounting Board's F.A.S. 52, a procedure that cuts down the losses suffered as a result of currency translation.

■ The biggest loser in net income, down 113%, was JWT Group, still reeling from a $30 million writeoff in 1981 as a result of accounting irregularities found in its syndication unit.

Interpublic's net income was up to $2.6 million from the $865,000 posted for the same quarter in 1981. JWT's net income nose-dived from $326,000 in 1981 to a minus $43,000 in 1982. The drop is attributable to devaluation of the Mexican peso and office moving expenses.

Earnings gains also were reported by Doyle Dane Bernbach, up 44% to $690,000, and BBDO, up 12% to $3.2 million from $2.9 million in 1981. The remaining public agencies recorded losses. Grey was down 12% to $437,000 from $501,000, and Ogilvy & Mather slipped to $2 million from $2.5 million. Decreased profits at O&M were attributed to the devalued Mexican peso.

All the publicly held agencies posted revenue gains in the first quarter. The greatest increase was reported by Grey, up 25% to $29.1 million from $23.3 million.

BBDO's revenues were up 12% to $47.2 million. Its domestic revenues, now inclusive of Tracy-Locke/BBDO in Dallas, were up 19%, but international revenues were down 4%. O&M's revenues were up 11.5% to $73.9 million, and JWT was up 11% to $92.4 million.#

Agency financial reports

First quarter

Net income	1982	1981	%
BBDO	$3,196,000	$2,860,000	12
Doyle Dane Bernbach	690,000	480,000	44
Foote, Cone & Belding	1,382,000	1,360,000	1.6
Grey	437,000	501,000	−12
Interpublic	2,645,000	865,000	206
Ogilvy & Mather	2,036,000	2,493,000	−18.3
JWT Group	($43,000)	326,000	−113

Revenues	1982	1981	%
BBDO	$47,200,000	$42,200,000	12
Doyle Dane Bernbach	38,898,000	34,267,000	14
Foote, Cone & Belding	40,838,000	38,406,000	6.3
Grey	29,083,000	23,315,000	25
Interpublic	101,850,000	98,108,000	3.8
Ogilvy & Mather	73,921,000	66,324,000	11.5
JWT Group	92,400,000	83,300,000	11

Why DDB eyed merger

(Continued from Page 4)

agreed that the demands of multinational clients and increased competition for market share are compelling reasons in the quest for growth.

■ "There's no question but that the largest agencies, as a group, are continuing to increase their market share at the expense of the medium-size agencies," Mr. Austrian said. "This is happening because most of the large budget increases are coming from multinational clients who are assigning their accounts, with increasing frequency, to the large multinational agencies.

"For the first time ever, U.S. advertising did not represent more than 50% of the total worldwide spending," Mr. Austrian continued. "This is a key, key trend which will continue. In fact by the year 2000 the U.S. portion could well be below 40%. The major growth will be international. Our clients will continue to seek growth outside our borders. We have to be prepared to meet their needs."

In another business matter, the stockholders once again defeated the proposal from the Society of Catholic Medical Missionaries, Philadelphia, to reexamine and reevaluate the ethics involved in DDB's handling of the South African Krugerrand account (AA, May 3). The nuns in the society are opposed to South Africa's apartheid policies and, in that connection, oppose the sale and promotion of the Krugerrand.#

Grossman joins Yaffe

SOUTHFIELD, MICH.—James Grossman has closed the doors of Grossman & Associates and has become senior vp at Yaffe Berline. Mr. Grossman brought along some of his clients, including Bonnie Bread, Comcast Cablevision, Family Computer Center, Greater Media Inc., Lexitel Corp., Mercury Paint Co. and Metro Trading Assn. Billings for these accounts are estimated at nearly $2 million.

Agency elected to group

SAN FRANCISCO—Maxwell Arnold Jackson & Smyth has been elected to membership in the Affiliated Advertising Agencies International.

C2710-1 9/1/82

Magazine special report: Radio's waves

Advertising Age

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$1 a copy; $40 a year | The International Newspaper of Marketing • In Two Sections, Section 1. | June 7, 1982

Fresh idea

R.T. French Co. is introducing Sweater Fresh spray garment cleaner on the West Coast. It bought the product a month ago from Cono-Tec, a product development company that had been test marketing the item. It is getting multimedia support via J. Walter Thompson USA.

McCormick juggled ad $ in takeover fight

By RICHARD L. GORDON

BALTIMORE—McCormick & Co. has revealed how executives in its grocery products division, aiding the fight against a takeover bid by Swiss conglomerate Sandoz Ltd., persuaded its ad agency to delay billings to help inflate earnings during certain periods from 1977 through early 1981.

The report on the bending of certain accounting rules, written by outside investigators hired by McCormick and recently released by the company, said that McCormick's "cooperative" advertising agency helped grocery products division managers artificially cut expenses and meet "ambitious" profit targets by delaying agency billings. In other instances, investigators said division employes altered advertising agency invoice dates, or simply withheld invoices.

The report said there is no evidence that any corporate funds were diverted to any McCormick employe as a result of the irregularities. Nor were any questions raised in the report about the role played by McCormick's agency, W.B. Doner & Co., Baltimore, though not named by the investigators, is McCormick's agency of record.

"It really is our problem, not a Doner problem," McCormick vp, secretary and general counsel James H. Harrison Jr. said in an interview. "We've taken action to solve it." He said results of the investigation are unlikely to affect Doner's status as McCormick's agency.

"They would seem to have been primarily trying to accommodate their client," he said of Doner's willingness to defer billings. "We've not really talked to them about it, although the investigators have."

Doner exec vp William Hooper said the agency had "reviewed all our materials, and our billings, with McCormick's special counsel," but he declined to dis-

(Continued on Page 80)

ESPN signs up for Nielsens

By COLBY COATES

In a move that should silence its critics, Entertainment & Sports Programming Network has opted to join the ratings wars.

But the cable sports network's plans to go on Nielsen meters in the last quarter of this year is only one part of the ratings and research package the company is serving up to advertisers.

Designed to position ESPN more like a magazine sell than broadcast, ESPN's deal with Nielsen Home Video Index will produce quarterly reports with household ratings and share; audience comp on viewers per household, plus market section data, which includes income, education, family size, county size and pay cable homes. Besides average quarter-hour numbers, ESPN also will break out numbers by sports in specific dayparts, and dayparts with specific sports. The information will be compiled utilizing both Nielsen meters and in-home diaries, and will be published for the first time early in 1983. *(USA Cable is leaning toward Nielsens; see story on Page 81.)*

The advertiser and agency buying community, some of which has been critical of ESPN for not going on meters when the cable network met Nielsen requirements, will learn all about the research plans starting June 22.

On that date, ESPN execs will begin—in New York City—a five-city briefing tour for the buying fraternity. Other stops on the tour include Chicago, Detroit, Los Angeles and San Francisco.

ESPN exec vp-chief operating officer Bill Grimes readily admitted that Bristol, Conn.-based ESPN has taken its lumps for resisting demands that it "get into a cpm

(Continued on Page 80)

New 'BW' chief in hot spot

By STUART EMMRICH

NEW YORK—The simple announcement from McGraw-Hill last week that James Pierce was being named publisher of *Business Week* barely hinted at the behind-the-scenes power struggles that have been going on at that company during the past year.

For the past 12 months, key execs at McGraw-Hill have been locked in corporate combat over the choice of a successor to R.B. (Bernie) Alexander and the future direction of *Business Week*. That combat claimed as casualties several top execs and staffers and raised serious questions, both within and outside of McGraw-Hill, about the management of the company.

Insiders say Mr. Pierce, publisher of McGraw-Hill's *Aviation Week & Space Technology* since 1979 (and before that on the *Business Week* sales staff for three years), faces the dual challenge of improving staff morale at *BW* and protecting the magazine from a top management described as being chiefly interested in taking its profits to prop up the company's bottom line.

That last battle, over the use of *BW*'s considerable

(Continued on Page 82)

Toyota key in DFS-Japan link

By JACK PLIMPTON and DENNIS CHASE

TOKYO—Dancer Fitzgerald Sample is about to forge a new Japanese link with Nippon Design Center, a small Japanese agency owned, in part, by Toyota Motor Sales. That move will give DFS a stronger link with the Japanese automobile company, which is said to be looking to coordinate its worldwide advertising more closely.

DFS senior vp Nelson Riddle Jr. (son of the famous bandleader) has been in Japan on "special assignment" for 17 months working on various research and other projects with NDC related to the Toyota account worldwide. He acknowledged that the new linkup could happen within the next 12 months.

■ According to one source, so far the two agencies have been working on trying to get a common theme to Toyota's advertising—similar to what Coca-Cola is trying to do worldwide. DFS has helped Toyota's success in the U.S. with its "Oh what a feeling" campaign; however insiders say

(Continued on Page 81)

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last minute news

Century 21 to review on $20 million account

IRVINE, CAL.—Century 21, largest U.S. real estate network, will conduct a review shortly in which five to six finalists, including incumbent WRG/Townsend, Newport Beach, Cal., will participate. Decision to review the estimated $20 million account follows appointment of Bruce Oseland, former operations assistant to the president, to the new post of vp-marketing. WRG/Townsend recently revamped its staff on the account.

Reynolds to test new low-tar Bright cigarets

WINSTON-SALEM, N.C.—R.J. Reynolds is about to test new Bright king-size and 100mm low-tar cigarets in Detroit, Oklahoma City and Denver. Newspapers, magazines and outdoor support via Leber Katz, New York.

P&G debuts repositioned, therapeutic Wondra

CINCINNATI—Procter & Gamble is introducing nationally a reformulated Wondra skin lotion, abandoning the upside-down bottle used when the product first was introduced. Testing since last fall in Charleston, S.C. (AA, Oct. 19), the new version takes a more therapeutic positioning, claiming to "relieve dry skin better" with seven new ingredients. B&B, New York, handles.

Broyles considered for top 'Newsweek' post

NEW YORK—William Broyles, editor of *Texas Monthly* and *California*, is under consideration for a top new editorial post at *Newsweek*, reportedly to be groomed to succeed 60-year-old executive editor Lester Bernstein, who would then be reassigned. Mark Edmiston, Newsweek Inc. president, denied industry rumors that Mr. Bernstein was being fired. Last Friday, Katharine Graham, chairman of the parent Washington Post Co., met for dinner in Austin with *Texas Monthly* publisher Michael Levy to discuss Mr. Broyles' future. Meanwhile, the controversial June 7 cover *(see story on Page 3)* generated even more controversy when it was learned that the late Sarai Ribicoff, niece of former U.S. Sen. Abraham Ribicoff, was one of the models used for the William Bailey painting. While denying the

(Continued on Page 8)

Newspapers continue repositioning bids

'Des Moines Tribune' to cease p.m. run

By ROBERT REED

Concern for its long-term potential and growth caused the Des Moines Register & Tribune Co. to play its trump card and discontinue the afternoon *Tribune* newspaper.

The *Tribune* will cease publication in September when it will be absorbed partly by a revamped morning *Register* featuring the *Tribune's* columnists, local news coverage and features, company officials say.

The decision to terminate the afternoon publication was based not only on the immediate financial troubles of the *Tribune*, but also on the publishing concern's long-term objectives.

Newspaper operations accounted for the bulk of the Register & Tribune's 1981 revenues with a tally of $70.5 million compared with $68 million for the previous year. Broadcasting earned $18.8 million in 1981 compared with $18 million in 1980.

But the company had posted a $618,000 first-quarter loss and the *Tribune's* ad revenues had declined sharply during that span, the company said.

"We don't think Des Moines is big enough to support two mediocre newspapers, but it is capable of supporting one excellent newspaper," said David Kruidenier, publisher of the company.

For a year, the Register & Tribune has been exploring options concerning the fate of the two newspapers (AA, May 10). The company had commissioned a three-member strategy task force that submitted three other alternatives designed to improve the company's future financial health, said Michael Gartner, president and editor of the papers. Those options included: Combining news staffs but keeping two separate papers, reducing the size of each paper's staff, or standing pat with two newspapers and their autonomous units.

"All were considered financially attractive but not journalistically attractive," Mr. Gartner said. "Sure, the initial reaction is one of 'hate to see it happen' but it will insure independence for the future, strength

(Continued on Page 84)

'Denver Post' gambles on morning-only

By KIMBERLY PALMER

In what one *Denver Post* executive describes as "the ultimate gamble," the traditional evening newspaper will complete its conversion to morning-only editions today (AA, May 31).

Since its Sept. 14, 1981, debut as an all-day newspaper, the *Post* gradually has been moving toward becoming a morning paper, in direct competition with its crosstown rival, the tabloid-size *Rocky Mountain News*.

The *Post* becomes the first major metropolitan daily newspaper to switch from evening to morning editions to take on another morning competitor, said Tim Kelly, *Post* managing editor. "It's the ultimate gamble. It's never been done before in this size of market. There is no track record or past history.

"We feel very good about the move," he added. "We are entering the morning market and will let the chips fall where they may."

According to Audit Bureau of Circulations figures for the period Oct. 1 through March 30, the *News* reported a daily circulation of 312,873, compared with the *Post's* 258,376. But the *Post* leads the *News* in Sunday circulation with 356,372, compared with 335,665.

■ Ralph Looney, editor of the *News*, which is owned by Scripps-Howard, says the move by the Times Mirror-owned *Post* poses no real threat to his paper's current lead in daily circulation. "The *Post* has been in the process of doing this [becoming a morning paper] since last September, and we have no evidence that there has been any significant change in our circulation figures. We are very confident that we will continue to grow. We have made some great improvements in our product in the past months. . .and we will continue to do so."

Soon after *Post* publisher Lee Guittar made the decision last summer to make the *Post* a morning paper, October was set as the

(Continued on Page 84)

ELECTRONIC MEDIA EDITION

Advertising Age

'EME' goes weekly Thursday

CHICAGO—ADVERTISING AGE's new *Electronic Media Edition* begins its regular weekly publication schedule this week. The issue, dated Thursday, June 10, features a special report on teletext-videotex.

The premiere issue of this separate publication was published May 3.

The new publication will carry comprehensive news and analysis from the full range of the electronic media industry, including commercial tv, cable, radio, syndication, home video and other areas. Its editorial content will concentrate solely on electronic media. It will utilize the resources of the national and international newsgathering staffs of AD AGE and Crain Communications Inc., publisher of AA and 18 other business newspapers, magazines and newsletters.

The initial weekly issue will carry the first instalment of a two-part series presenting an in-depth look at the exploding world of teletext and videotex. This report will include background on the two fields, agency and advertiser reaction to them and profiles summarizing the most significant corporate activities in these areas.

Subscriptions to the *Electronic Media Edition* are available at $10 a year by phoning (312) 649-5403 or writing to 740 Rush St., Chicago, Ill. 60611. The publication is not sold as part of a regular ADVERTISING AGE subscription.

'RS' fires Bonanni, lawsuit threatened

By STUART EMMRICH

NEW YORK—Peter Bonanni was fired last week as publisher of *Rolling Stone*, the second time in the last four months that the 49-year-old Mr. Bonanni has left a publisher's post under stormy circumstances.

Kent Brownridge, general manager of *Rolling Stone*, said Mr. Bonanni had been terminated because of "differences" over the direction of the magazine. There has been no official word from the magazine about the changes, but Mr. Brownridge said that owner Jann Wenner will reassume the publisher's spot he held before hiring Mr. Bonanni three months ago, and that ad director William David will take over responsibility for the ad sales staff.

Mr. Bonanni confirmed he has left *Rolling Stone*, but said he could not discuss events leading to his departure until he made a formal announcement later this week. Mr. Brownridge also declined to discuss specifics, saying that Mr. Bonanni had threatened legal action against the magazine.

■ Also out is Craig VanderPloeg, who was brought in as marketing services director by Mr. Bonanni last month. Mr. Bonanni and Mr. VanderPloeg had worked together at *Woman's Day* before Mr. Bon-

(Continued on Page 80)

highlights

Monday, June 7, 1982

Group W Cable is breaking the first major national consumer media campaign from a multiple systems operator. *See Page 6.*

The Entertainment Channel cable network takes on commercial tv in a new ad campaign. *See Page 6.*

Heublein Inc., while hunting for acquisitions, will invest heavily in its Kentucky Fried Chicken division. *See Page 10.*

Beatrice Foods is striving for strength in the beverage industry. *See Page 12.*

Lack of a single program listing guide is a big problem for cable advertisers and subscribers. *See Page 20.*

An Ivy League professor explores advertising's blatantly Freudian motivation. *See Page 24.*

Ford is trying something from both ends of the auto spectrum, from minicars to new electronic gadgets for top-of-the-line models. *See Page 28.*

PepsiCo renews its "challenge" in the U.K. as rival Coca-Cola responds with a version of "Coke is it." *See Page 32.*

Gillette continues testing "Brush Up," shave lather-in-brush. *See Page 34.*

Romance is in the air as paperback romance companies launch a tv war. *See Page 54.*

Atari's Pac-Man is taking a big bite out the U.K. market. *See Page 62.*

Japan's ad industry gets ready for a government fight. *See Page 62.*

Men's magazines try to overcome male's initial resistance to fashion shows. *See Page 67.*

Headwraps have reached their sales peak, but they'll be back this fall to accessorize evening wear. *See Page 68.*

Graphics designers and computer experts see a need for the two groups to work together. *See Page 68.*

Burroughs will say "I do" to tv for the first time with a corporate campaign this month and product pitches this fall. *See Page 69.*

Consumers are getting the heavy end of advertisers' budgets as the trade receives less, according to the Fourth Annual Survey of Promotional Practices. *See Page 74.*

CORPORATE CLOSEUP

Bally Mfg. Co. has a new team of executives eager to face the challenge fast growth brings. The company, whose fame comes from pinball machines, is now a broad leisure-time products marketer. *See Page 4.*

INTERNATIONAL

Canadian advertising agencies ignore the recent Implementing Telidon conference. *See Page 36.*

Nestle's new managing director is ready to act on a mandate from stockholders to get the company going again and restore profit margins. *See Page 38.*

VIDEOTECH

WATS Marketing of America stepped into the controversy over the new cable tv network practice of selling the names of per-inquiry respondents to third parties. *See Page 47.*

MAGAZINE

Best promotions of the year reflect the trend of agencies using more scientific and professional methods. *See M-2.*

An agency media executive lists the 10 traps that squelch originality, suppress uniqueness and narrow perspective—and how to avoid them. *See M-21.*

SPECIAL REPORT

Special report on radio shows that while the medium is as strong and popular as ever, it continues to be challenged in ways the other media aren't. *See M-5.*

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N W Ayer wins 1, loses 1

By ROBERT RAISSMAN and JAY McCORMICK

You win some, you lose some.

Last week, N W Ayer won out over another General Motors agency—D'Arcy-MacManus & Masius—for a new $15 million corporate campaign, but client AT&T Long Lines decided to take its $15 million business long-distance account out of the agency.

Ayer's winning campaign for GM will carry the theme, "We're the best GM ever," and will appear in print, tv and radio as fast as possible. Print ads got into newspapers last Friday, and the broadcast spots will air as soon as production is completed. Ayer already handles GM corporate public affairs advertising and D'Arcy handles corporate product advertising. Since the new campaign fell into a gray area, GM asked the two agencies to compete for it.

"In some respects the D'Arcy campaign tested better, in others the Ayer campaign tested better," said John McNulty, vp-pr at GM. "The things that we thought were most important at this time were the ones where Ayer showed up

(Continued on Page 80)

Cigar volume dips in 1981

By JOHN C. MAXWELL JR.

The cigar industry's unit volume declined modestly in 1981. While the figures include the rolling out of Backwoods by Consolidated Cigar, we note that the total decline was minor.

With the aging of the U.S. population, more interest might be shown in cigars. Thus, we expect 1982's consumption to be flat or down only slightly. It would appear we have hit bottom or are close to it.

The major trend within the industry is, of course, the move to higher-price products. The premium product costing 50¢ or more now accounts for about 5% of units and 25% of dollars for the industry.

Backwoods appears to be an interesting success story in an otherwise lackluster industry. General Cigar recently introduced Jim Burley to compete with this product, and we expect other entries as time progresses. The only other item we see in test is a John Swisher product called Swisher Sweet Coronella.

Very few products showed growth in 1981. Those that did were American Cigar's Antonio y Cleopatra and M&N Cigar's Cuesta-Rey and Rigoletto. Bayuk sold its Garcia y Vega to General Cigar in March, 1982; this product was relatively stable in 1981. Bayuk is negotiating to sell Phillies as well. At this writing, negotiations are in progress for the MacAndrews & Forbes Group to buy Consolidated Cigar from Gulf & Western.

Mr. Maxwell is with Lehman Bros. Kuhn Loeb, New York.

LITTLE CIGARS

(Millions of units)

	Units	% of 1981 market Pct.	Units	% of 1980 market Pct.
Reynolds				
Winchester	772.0	56.1%	855.3	60.1%
Consolidated				
Dutch Treats	389.6	26.9	343.0	24.1
Lorillard				
Omega Natural 85s	16.5	1.2	20.2	1.4
Omega Natural 100s	37.6	2.7	40.8	2.9
Cherry 100s	5.5	0.4	7.1	0.5
Menthol 100s	4.3	0.3	5.7	0.4
Total Omega	63.9	4.6	73.8	5.2
Between the Acts (80mm)	44.0	3.2	48.7	3.4
Madison (80mm)	29.7	2.2	33.6	2.4
Total	137.6	10.0	156.1	11.0
American Cigar				
Roi-Tan (85mm and 100mm-F)	20.0	1.5	25.0	1.8
Antonio y Cleopatra (100mm-F)	25.0	1.8	30.0	2.1
Deringer	4.0	0.3	7.0	0.5
Total	49.0	3.6	62.0	4.4
Total	1,376.0	100.0%	1,422.0	100.0%

LARGE CIGARS

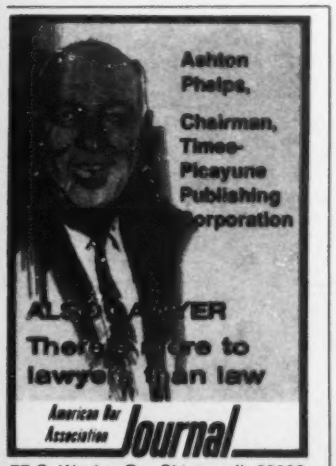
(Millions of units)

	Units	% of 1981 market Pct.	Units	% of 1980 market Pct.
Consolidated Cigar				
Muriel	359	9.3%	375	9.5%
Dutch Masters	316	8.2	340	8.6
El Producto	193	5.0	213	5.4
Backwoods	42	1.1	—	—
Others	92	2.4	103	2.6
Total	1,002	26.0	1,031	26.1
John H. Swisher & Sons				
King Edward	760	19.7	780	19.7
Others	130	3.4	140	3.6
Total	890	23.1	920	23.3
General Cigar				
White Owl	270	7.0	284	7.2
Robert Burns	165	4.3	168	4.2
Tijuana Smalls	75	2.0	90	2.3
William Penn	140	3.6	150	3.8
Others	40	1.0	45	1.1
Total	690	17.9	737	18.6
American Cigar				
Roi-Tan	85	2.2	95	2.4
Antonio y Cleopatra	181	4.7	180	4.6
La Corona	19	0.5	18	0.4
Others	3	0.1	2	0.1
Total	288	7.5	295	7.5
Bayuk Cigars				
Phillies	194	5.1	201	5.1
Garcia y Vega*	104	2.7	104	2.6
Others	1	—	1	—
Total	299	7.8	306	7.7
Havatampa	160	4.1	162	4.1
Lorillard				
Erik Filter Natural	72	1.9	79	2.0
Erik Filter Menthol	35	0.9	39	1.0
Erik Filter Cherry	21	0.5	23	0.6
Total	128	3.3	141	3.6
U.S. Tobacco				
(House of Windsor)	70	1.8	72	1.8
M&N Cigar Manufacturers				
Cuesta-Rey	70	1.8	69	1.7
Rigoletto	32	0.8	31	0.8
Total	102	2.6	100	2.5
Universal Cigar				
Optimo	65	1.6	66	1.7
Corral Wodiska y Ca	31	0.8	31	0.8
Others	130	3.5	91	2.3
Total	3,855	100.0%	3,952	100.0%

*Garcia y Vega was sold to General Cigar on March 15, 1982.

Wuerfel setting up merger consulting company

RYE, N.Y.—Frank Wuerfel, formerly group vp-processed foods group, ITT Continental Baking Co., has formed a consulting company bearing his name. Mr. Wuerfel will specialize in representing small and medium-size companies interested in merging or being acquired and large corporations wishing to divest themselves of a subsidiary or division. His address is P.O. Box 31, 10580.



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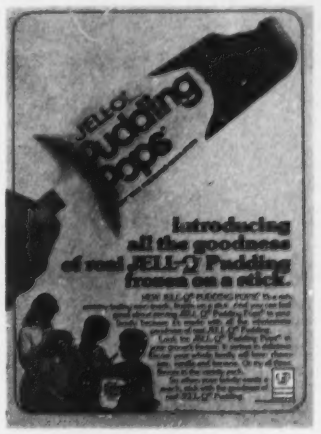

Popping up

Print ads like this and tv spots featuring Jell-O spokesman Bill Cosby are supporting regional introduction of General Foods' Jell-O Pudding Pops (AA, March 8). Item is now in all areas but the West Coast. Young & Rubicam, New York, is the agency.

Frito-Lay extends line

DALLAS—Frito-Lay has introduced a new line of boxed Grandma's cookies in the Northwest where the original Grandma's line of boxed cookies has been in distribution.

The new line also is being tested in Kansas City. The company has shifted a Frito-Lay brand pecan pie into new packaging to place the product under the Grandma's label along with all of the company's other baked goods.